

28 July 1966

MEMORANDUM FOR: Executive Secretary, EIC

SUBJECT: Report for FY 1966 of the EIC Subcommittee on International Trade and Finance

A. Activities of the Subcommittee During Fiscal Year 1966

1. Review of the Intelligence Product in the Subcommittee's Field of Competence

Through its long-established channels of communication, both formal and informal, Subcommittee members maintain a continuing critical review of intelligence needs and intelligence research on Sino-Soviet Bloc trade.

2. Research and Collection Deficiencies

The Subcommittee took no action.

3. Priority National Economic Intelligence Objectives

The PNEIO's serve as no more than an adjunct to the complex and comprehensive system through which priority intelligence objectives in the field of Bloc trade are identified and pursued.

4. Review of Substantive Papers

The comprehensive annual study of China's trade and transport in 1964 was published in December 1965 as EIC-R16-86.

5. Review of Proposals for External Research

The Subcommittee took no action.

6. Maintenance of Agreed Basic Statistics

The CIA/ORR program to code and store basic Soviet trade data in an IBM system has been continued.

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7. Projects Undertaken at the Request of the EIC or Proposed to the EIC

In response to EIC request a preliminary analysis of Communist China's foreign trade in 1965 was published in June 1966 as CIA/RR EM 66-20.

In addition the second in a series of papers on Soviet foreign trade entitled Soviet Foreign Trade: Continued Sluggishness which was requested by the EIC, was drafted by CIA in consultation with the State and Commerce members of the Subcommittee. This paper was published as an ORR Economic Intelligence Report in December 1965. Also, in accordance with a request by EIC, a preliminary analysis of Soviet foreign trade and payments in 1965 was published in May 1966 as a memorandum entitled Recent Developments in the Soviet Foreign Exchange Position.

8. Intelligence Research Techniques

The Subcommittee took no action.

9. Special Coordination Functions of the Subcommittee

Nothing to report.

10. Evaluation of the Role of the Subcommittee

Because of the open channels of communication that have been established among Subcommittee members in past years, an effective and harmonious system exists for coordinating intelligence on matters of mutual interest concerning international trade of the Sino-Soviet group. These channels are used as needed, with resulting benefits to all the participating agencies.

B. Future Program of the Subcommittee

The Subcommittee plans to maintain its role in discussing, supporting, reviewing, and coordinating selected intelligence research on the foreign trade of Communist Bloc countries.


Executive Secretary

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SUBCOMMITTEE ON INTERNATIONAL TRADE AND FINANCE

Chairman: Morris H. Crawford, State

Executive Secretary: [REDACTED] CIA 25X1A9a

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| Agencies Represented: | State | Navy | Commerce |
| | DIA | CIA | FRB |
| | Army | NSA | Treasury |

Meetings: Last meeting, June 1963

Activities during FY 1965 and First Half FY 1966

The subcommittee members maintain a continuing critical review of intelligence needs and intelligence research on Sino-Soviet Bloc trade. The CIA/ORR program to code and store basic Soviet trade data in an IBM system has been continued.

Publications: At the request of the EIC, CIA has published, after pre-publication review and comment by the Departments of State and Commerce, two studies on Trends in Soviet Foreign Trade. In December it is planned to publish an Annex updating the details of commodity trade for 1964.

During the first half of FY 1966, the subcommittee coordinated the trade section of EIC-R16-S6, "International Trade and Transport of Communist China, 1964" (published annually).

Evaluation of the Role of the Subcommittee

Because of the open channels of communication that have been established in past years, an effective and harmonious system exists for coordinating intelligence on matters of mutual interest. These channels are used as needed with resulting benefits to all participating agencies.

In trying to assess the particular sorts of activity which the subcommittee could most usefully undertake in the future, one member has raised the possibility of holding, under subcommittee auspices, irregular informal discussions of selected substantive questions among specialists from the participating agencies.

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